

HOUSE BILL 4142

By Ferguson

AN ACT to amend Tennessee Code Annotated, Title 45,  
Chapter 20, relative to the "Tennessee Home  
Loan Protection Act".

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-20-103, is amended by deleting subdivision (21) and substituting instead the following:

(21) A lender may not make a high-cost home loan without first providing to the borrower, in a separate document clearly identified, notice of availability of counselors from third-party nonprofit organizations approved by the United States department of housing and urban development (HUD), a housing financing agency of this state, or the regulatory agency that has jurisdiction over the lender. The document shall provide either a list of counselors who are located in the county of the borrower or the nearest available county where counselors are available; or a resource list for HUD, Tennessee housing and development agency or the Tennessee department of financial institutions, including toll-free numbers and web site information, if available, to identify the counselors. The borrower shall be afforded the opportunity to seek counseling without penalty. The lender shall not make a high-cost loan without first receiving certification from a counselor described above that the borrower has received counseling on the advisability of the loan transaction. For purposes of this section, the document listing availability of counselors shall be provided to the borrower not later than the time that the good faith estimate of closing costs required by the Real Estate Settlement Procedures Act, 12 U.S.C. § 2601 et seq., must be provided to the borrower.

SECTION 2. This act shall take effect July 1, 2008, the public welfare requiring it.